

Exhibit C

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20 Attorneys for Defendant U.S. Bank
21 Trust National Association,
22 in its capacity as Indenture Trustee

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16 FINISAR CORPORATION,
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18 Plaintiff,
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20 v.
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22 U.S. BANK TRUST NATIONAL
23 ASSOCIATION,
24
25 Defendants.

Case No. 107CV088503

UNLIMITED JURISDICTION

**ANSWER TO COMPLAINT FOR
DECLARATORY RELIEF**

1 U.S. Bank Trust National Association, in its capacity as indenture trustee ("Trustee") for
2 holders of the (a) 5¼% Convertible Subordinated Notes due 2008 under that certain Indenture
3 dated as of October 15, 2001, (b) 2½% Convertible Subordinated Notes due 2010 under that
4 certain Indenture dated as of October 15, 2003, and (c) 2½% Convertible Senior Subordinated
5 Notes due 2010 under that certain Indenture dated as of October 12, 2006, hereby states and
6 alleges in response to the Complaint of Finisar Corporation ("Plaintiff"), filed on June 22, 2007,
7 as follows:¹

8 **GENERAL DENIAL**

9 Pursuant to Section 431.30(d) of the California Code of Civil Procedure, the Trustee
10 denies each and every allegation of the unverified Complaint, and the whole thereof, and denies
11 that Plaintiff is entitled to any recovery or relief sought or alleged by reason of any act, omission,
12 or conduct on the part of the Trustee.

13 **AFFIRMATIVE DEFENSES**

14 Without admitting or acknowledging that the Trustee bears any burden of proof as to any
15 of them, the Trustee asserts the affirmative defenses provided for below. The Trustee hereby
16 reserves all rights to interpose additional affirmative defenses which may be ascertained during
17 the course of discovery in this action.

18 **FIRST AFFIRMATIVE DEFENSE**

19 **(Failure to State a Cause of Action)**

20 1. The complaint fails to state a claim against the trustee for which relief can be
21 granted.

22 **SECOND AFFIRMATIVE DEFENSE**

23 **(Estoppel and/or Waiver)**

24 2. The allegations of the Complaint are barred by estoppel and/or waiver.
25
26

27 _____
28 ¹ All capitalized terms used herein and not otherwise defined shall have the meanings
given to such terms in the Complaint.

THIRD AFFIRMATIVE DEFENSE

(Unclean Hands)

3. The allegations of the Complaint are barred by unclean hands.

FOURTH AFFIRMATIVE DEFENSE

(Breach of Contract)

4. Plaintiff is in breach of contract.

FIFTH AFFIRMATIVE DEFENSE

(Breach of the Implied Covenant of Good Faith and Fair Dealing)

5. Plaintiff is in breach of the Indentures' implied covenant of good faith and fair dealing.

SIXTH AFFIRMATIVE DEFENSE

(Another Action Pending Between the Same Parties on the Same Cause of Action)

6. There is another action pending between the same parties on the same cause of action.

PRAYER FOR RELIEF

WHEREFORE, the Trustee respectfully requests that judgment be entered against Plaintiff and for itself as follows:

(A) Dismissing the Complaint with prejudice and on the merits;

(B) Awarding the Trustee the costs and expenses incurred in this action, including but not limited to reasonable attorneys' fees; and

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1 (C) Awarding such other and further relief as the Court deems fair and
2 equitable.

3
4 Dated: August 6, 2007

MORRISON & FOERSTER LLP

5 PAUL T. FRIEDMAN
6 D. ANTHONY RODRIGUEZ
7 EVA K. SCHUELLER

FAEGRE & BENSON LLP

8 MICHAEL B. FISCO
9 ABBY E. WILKINSON

10
11 By 

D. Anthony Rodriguez

12 Attorneys for Defendant,
13 U.S. BANK TRUST NATIONAL
14 ASSOCIATION, in its capacity
15 as Indenture Trustee
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1 **PROOF OF SERVICE**

2 I declare that I am employed with the law firm of Morrison & Foerster LLP, whose address
3 is 425 Market Street, San Francisco, California 94105-2482. I am not a party to the within cause,
and I am over the age of eighteen years.

4 I further declare that on August 6, 2007, I served a copy of:

5 **ANSWER TO COMPLAINT FOR DECLARATORY RELIEF**

6 ☒ **BY OVERNIGHT DELIVERY [Code Civ. Proc sec. 1013(d)]** by placing a true
7 copy thereof enclosed in a sealed envelope with delivery fees provided for,
8 addressed as follows, for collection by UPS, at 425 Market Street, San Francisco,
California 94105-2482 in accordance with Morrison & Foerster LLP's ordinary
business practices.

9 I am readily familiar with Morrison & Foerster LLP's practice for collection and
10 processing of correspondence for overnight delivery and know that in the ordinary
11 course of Morrison & Foerster LLP's business practice the document(s) described
above will be deposited in a box or other facility regularly maintained by UPS or
12 delivered to an authorized courier or driver authorized by UPS to receive documents
on the same date that it (they) is are placed at Morrison & Foerster LLP for collection.

13 Caroline McIntyre
14 BERGESON, LLP
303 Almaden Boulevard, Suite 500
San Jose, California 95110-2712

Attorney for Plaintiff
Finisar Corporation

15 Sterling A. Brennan
16 L. Rex Sears
WORKMAN | NYDEGGER
17 1000 Eagle Gate Tower
60 East South Temple
18 Salt Lake City, Utah 84111

Attorney for Plaintiff
Finisar Corporation

19
20 I declare under penalty of perjury under the laws of the State of California that the
21 foregoing is true and correct.

22 Executed at San Francisco, California, this _____ day of _____, 2007.

23
24
25 _____
26 Mary E. Land
(typed)

(signature)